

NONRESIDENTIAL SMART SAVER ®
ENERGY EFFICIENT PRODUCTS AND ASSESSMENT PROGRAM NSS EE-2

PURPOSE

The purpose of this program is to encourage the installation of new high efficiency equipment in new and existing nonresidential establishments as well as efficiency-related repair activities designed to maintain or enhance efficiency levels in currently installed equipment. The program will provide incentive payments for energy assessments and to offset a portion of the higher cost of new energy efficient equipment or the efficiency-related repair activities.

PROGRAM

Payments are available to owners of, or customers occupying, new or existing nonresidential establishments served on Company's general service schedules and are served from Company's retail system.

Payments are available for a percentage of qualifying energy assessments, a percentage of the cost difference between standard equipment and qualifying new higher efficiency equipment, or a percentage of the cost of qualifying efficiency-related repair activities as further described below.

Prescriptive Incentives for Specific Equipment

The following types of equipment are eligible for incentives.

- High efficiency lighting
- High efficiency heating, ventilation and air conditioning equipment
- High efficiency pumps and variable frequency drives
- High efficiency food service equipment
- High efficiency process equipment
- High efficiency information technology equipment

The Company may vary the percentage incentive by type of equipment, differences in efficiency and type of efficiency-related repair activity either to provide the minimum incentive needed to drive customers to install higher efficiency equipment or to encourage maintaining or enhancing efficiency levels in currently installed equipment.

The Company reserves the right to adjust the incentive and equipment requirements on a periodic basis, as equipment efficiency standards change and as customers naturally move to install higher efficiency equipment.

The amount of the incentive payment for various standard types of equipment will be filed with the Commission annually, for information, and posted to the Company's website at www.duke-energy.com.

Incentives for Custom Projects

Energy Assessments:

Optional energy assessments are available to identify and/or evaluate energy efficiency projects and energy efficient measures. The scope of an energy assessment may include but is not limited to facility energy audit, new construction/renovation energy performance simulation, system

energy study and retro-commissioning service. Payments are available to offset a portion of the costs of a qualifying energy assessment.

The Company may vary the percentage of energy assessment payment based on the facility size, age, equipment, and other criteria that may affect the amount of energy efficiency opportunities, and the expectation of the customer implementing recommendations identified. All, or a portion of, the energy assessment payment may be contingent on the customer implementing a minimum amount of cost effective energy efficiency measures within a set timeframe.

Custom Incentives:

Custom incentives are available with or without an energy assessment provided by the Company.

The Company shall determine what projects meet the criteria for higher efficiency equipment or efficiency-related maintenance activities, including but not limited to the types of equipment shown above under Prescriptive Incentives. To qualify for efficiency related incentives for HVAC or process equipment, such equipment must have a remaining use life greater than 2 years.

Electric generation, from either non-renewable or renewable sources, is not considered an energy efficiency measure and therefore does not qualify for payments; however, bottoming-cycle Combined Heat and Power (“CHP”) systems or the waste heat recovery components of topping-cycle CHP may be eligible for payments. Bottoming cycle refers to a combined heat and power system where waste energy is captured to generate electricity. Topping cycle CHP systems feed existing thermal loads with the waste heat from an electric generation system and are not fueled by an existing waste energy system. Only the heat recovery aspect of a topping cycle CHP system that offsets existing electrical usage is eligible for an incentive.

The Company may vary the percentage incentive based on project conditions, including differences in efficiency, operating conditions, measure life, free ridership, and other factors that affect projected energy savings, and based on measure cost effectiveness in order to provide the minimum incentive needed to drive customers to install higher efficiency equipment.

The Company also offers an optional, expedited review process for projects with short timelines. A fee associated with the expedited review of an application will be borne by the customer submitting the application regardless of application approval. Customer’s electing to use the expedited review will be charged by the Company regardless of the results of their application; however, at the time of their application approval a customer may elect to defer the payment of the fee until the Company processes the incentive payment. The expedited review process is available to all customers and the expedition fee will be posted on the company’s website and is subject to change.

In order to receive payment under this program the following requirements must be met.

- For new high efficiency equipment in an existing establishment, the customer must submit a request for incentive payment either before or within ninety (90) days of installation, along with the required documentation and verification that the installed efficiency measures meet the requirements of this program.
- For efficiency-related activity, the customer must submit a request for incentive payment either before or within 90 days of the completing the efficiency-related activity, along with the required documentation and verification that the efficiency-related activity meet the requirements of the program.

- For new high efficiency equipment in a new establishment the customers must submit a request for incentive payment either before or within 90 days after the customer takes initial permanent service for the Company.

The Company reserves the right to inspect the premises of the customer both before and after implementation of the measure or completion of the efficiency-related activity for which an incentive payment is requested. Incentive payments will be made only after the equipment has been installed and is operable or the efficiency-related activity has been completed, as verified by the Company.

Multiple incentive payments may be requested for each establishment; however, the Company reserves the right to limit the payments per establishment per year.

PAYMENT

- The payment to the customer or owner will be an amount up to 75% of the installed cost difference between new standard equipment and new higher efficiency equipment or up to 75% of the cost of the efficiency-related activity.
- In conjunction with this program or in combination with other approved Company energy efficiency and DSM programs, Company may provide a limited quantity of low-cost energy efficient equipment directly to eligible Non-residential customer accounts, at no out-of-pocket cost to the customer.
- With Company approval, the customer or owner may designate that payment be made to the vendor or other third-party.

COMPANY RETENTION OF PROGRAM BENEFITS

Incentives and other considerations offered under the terms of this Program are understood to be an essential element in the recipient's decision to participate in the Program. Upon payment of these considerations, Company will be entitled to any and all environmental, energy efficiency, and demand reduction benefits and attributes, including all reporting and compliance rights, associated with participation in the Program.

DSM/EE OPT-OUT ELIGIBILITY

An opt-out eligible customer participating in this program on and after January 1, 2016, or accepting incentives under this program on and after that date, loses the right to be exempt from the EE Rate for three (3) years following the receipt of incentives under this program. An opt-out eligible participant receiving incentives under this program prior to December 1, 2010 may not request to be exempt from the EE Rate any earlier than August 1, 2017. An opt-out eligible participant receiving incentives under this program on or after December 1, 2010, but prior to July 1, 2012, may not request to be exempt from the EE Rate any earlier than January 1, 2018. An opt-out eligible participant receiving incentives under this program on or after July 1, 2012, but prior to February 1, 2014, may not request to be exempt from the EE Rate any earlier than July 1, 2018. An opt-out eligible participant receiving incentives under this program on or after February 1, 2014, but prior to January 1, 2016, may not request to be exempt from the EE Rate any earlier than January 1, 2019.

GENERAL

Service rendered under this Program is subject to the provisions of the Service Regulations of the Company and Demand Side Management and Energy Efficiency Rider DSM/EE on file with the Public Service Commission of South Carolina.

Supersedes Program CIG EE-6

Effective for service rendered on and after January 1, 2017

SCPSC Docket No. 2015-163-E, Order No. 2016-812